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Prices generally moved higher in recent weeks with important indexes setting new records.

Wholesale prices, after easing slightly in October, again started upward in November. The BLS weekly index was the highest on record during the week ending November 28, nine percent higher than in late June before the Korean war broke out and 13 percent higher than a year earlier.

The index of prices paid by farmers including interest, taxes and wage rates topped all past marks in mid-November when the index was 263 (1910-14=100). This was 3 percent higher than in mid-June, 7 percent higher than a year earlier. The previous peak was 262 reached in June and July 1948.

Costs of living are going up for both farm and city families. Prices farmers pay for commodities used for family living in mid-November topped the previous peak by almost 1 percent. Prices paid by urban consumers of moderate incomes in October rose slightly above the high mark of August-September 1948.

Prices received by farmers also advanced in the last month but remained 11 percent below the peak of January 1948. At 276, the index was 12 percent higher than in mid-June, 16 percent higher than a year earlier.

Prices of practically all farm products except fruit and hogs averaged higher in mid-November than a month earlier. Cotton, cottonseed, calves, sheep, lambs and wool brought record prices.

Among the commodity groups, oil bearing crops have shown the sharpest increase in the last 12 months averaging 60 percent above a year earlier in mid-November. Wool is up 57 percent, cotton 48 percent, meat animals 25 percent, feed grains and hay 22 percent, tobacco 16 percent, fruit 13 percent, food grains 4 percent, dairy products 2 percent.

Declines from November 1949 were shown by truck crops, down 12 percent; other vegetables, down 23 percent; and poultry and eggs, down 3 percent.

Industrial production and employment continue high. Construction activity has fallen off from the record rate of last summer but remains almost a fourth above a year earlier. Part of the decline in construction is seasonal but high costs and stiffer credit terms also are responsible.

Despite record production, shortages of many manufactured goods and industrial raw materials are developing. Order backlogs of manufacturers are growing. The result is continued upward pressure on prices.

Consumer incomes continue to rise. Personal income in September was at an annual rate of 228 billion dollars, 2.9 billions above August and 25 billions more than a year earlier. Consumers in October and early November were spending at a slower rate than in the weeks after the Korean war began but expenditures are running well above a year ago.

Agricultural exports during July-September totaled the smallest since the war ended and were down 13 percent from a year earlier. All of the decline from last year was in food products.

Total exports -- agricultural and nonagricultural -- also have declined while imports have increased. In July-September, the value of merchandise imported exceeded the value of merchandise exported for the first time since 1937.

FARM INCOME Products sold during the first 11 months of this year brought farmers 25.1 billion dollars, about 2 percent less than in the same period last year. Prices averaged a little higher but the volume sold was down about 6 percent.

LIVESTOCK AND MEAT Demand for meat probably will continue to strengthen as consumer incomes rise. After the first of the year, meat animal prices probably will trend generally upward.

The decline in hog prices this fall has been about average for the season; prices of other meat animals have been generally steady.

Hog slaughter is expected to reach a seasonal peak before the middle of December; probably will begin to decline after that time. Slaughter of cattle from August through October was a little smaller than last year, but for 1950 as a whole may total about the same as last year. Fewer cattle have moved to feeding areas this fall than last, but the number is about as high, or higher than in most years before 1949.

DAIRY PRODUCTS Prices received by farmers for milk averaged \$4.37 in November, about 12 cents above a year earlier. Butterfat prices averaged 63½ cents. This was the highest since February 1949.

Feed prices have gone up more than dairy prices in the last year and dairy product-feed price ratios are a little below average.

More fluid milk and cream is being consumed than a year earlier. Since milk production the last two months has been running slightly below a year earlier, the amount of milk going into manufactured dairy products has dropped substantially. One result has been that USDA price support purchases of butter and cheese have virtually ceased and the amount of nonfat powder bought is down to the lowest level since the purchase program began in February 1949.

POULTRY AND EGGS Demand for eggs has been brisk and the mid-November price of 45.6 cents was 2.4 cents above mid-October. In the same period last year, egg prices dropped 4.3 cents. Prices of turkeys in mid-November were up 0.8 cents from a year earlier; chicken prices were slightly lower.

FATS AND OILS In November, wholesale prices of fats and oils averaged a little higher than in October and more than a third above a year earlier. Production in 1950-51 will be only slightly below the 1949-50 record.

FEEDS Corn prices have gone down less than seasonally this fall. Much of the 5 percent drop in the average price since August apparently has been due to the discount for the higher moisture content of the new crop. The mid-November price to farmers was \$1.37, 35 cents above a year earlier and 10 cents below the support. Prices of oats, barley and grain sorghums also are above a year ago.

WHEAT Farmers have marketed more wheat so far this season than in the same period last year. The quantity placed under price support program this season probably will amount to less than 200 million bushels compared with 383 million in 1949-50.

FRUITS AND VEGETABLES Prices of apples and pears are likely to rise more slowly after January 1 than they did a year earlier. The seasons for both fruits have been late this year and movement into storage has been heavy. If cold storage holdings are much above average January 1, prices may rise only slightly.

Supplies of oranges are about as large as last winter and stocks of canned and frozen juice are much larger. Prices to growers probably will continue lower than last winter. Grapefruit prices probably will continue considerably lower since the 1950-51 crop is about a third larger than last season's and stocks of canned juice were substantially larger when the canning season began this fall.

About one-fourth less beets are expected to be harvested this winter than last. Kale supplies in prospect are one-tenth smaller. The spinach crop is much larger than last winter's short crop.

Retail prices of canned vegetables have been rising generally since the middle of the year. Expanded military requirements have resulted in temporary short supply situations for some items. Abundant supplies of fresh vegetables are expected to prevent much more of an increase in canned vegetable prices the rest of the season. Supplies of frozen vegetables are a record and only slight increases in prices are expected for a few items.

Yields per acre for potatoes were a record this year and the crop is up 7 percent from 1949. Prices are expected to continue low, though some seasonal increase is expected. The sweetpotato crop is 10 percent larger than last year and prices are expected to continue below a year earlier.

COTTON AND WOOL Spot market prices for middling 15/16 inch cotton reached a record of 43.93 cents per pound on November 22. In mid-November, the average price received by farmers for cotton was 41.13 cents per pound, 128 percent of parity. A year earlier, the average was 27.67 cents, 93 percent of parity.

Shorn wool prices to farmers have gone up each month this year. The average price in mid-November was 72.2 cents per pound, a new record. Consumption of apparel wool continues at a considerably higher rate than last year.

TOBACCO Auctions for the 1950 Burley crop are under way. Prices on the first day averaged about 10 percent higher than on the opening day of last season. Demand is expected to continue strong because of the record cigarette production expected next year.
